

Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 IO-10 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 RSC-01 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-01 CEA-01 L-02 H-01 PA-01 PRS-01 USIA-06

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R 290900Z JAN 75

FM AMCONSUL LOURENCO MARQUES

TO SECSTATE WASHDC 3214

INFO AMEMBASSY BLANTYRE

AMCONSUL CAPE TOWN

AMEMBASSY DAR ES SALAAM

AMEMBASSY GABORONE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMCONSUL LUANDA

AMEMBASSY LUSAKA

AMEMBASSY MBABANE

AMEMBASSY NAIROBI

AMEMBASSY PRTORIA

USMISSION USUN

LIMITED OFFICIAL USE LOURENCO MARQUES 103

FOR STATE AND AID

E.O. 11652: N/A

TAGS: ETRD, EFIN, MZ

SUBJECT: MOZAMBIQUE'S 1974 BALANCE OF PAYMENTS

REF: (A) STATE 18731 (NOTAL); (B) LOURENCO MARQUES A-170;

(C) LOURENCO MARQUES A-181

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QM DURING BRIEFING FOR KENNEDY STAFFDEL ROBERT BATES, PORTUGUESE

SECRETARY GENERAL MARIO AGUIAR PROVIDED FOLLOWING PRELIMINARY
INFORMATION ON MOZAMBIQUE'S 1974 BALANCE OF PAYMENTS:

TOTAL IMPORTS: \$480 MILLION

TOTAL EXPORTS: \$240 MILLION

MERCHANDISE ACCOUNT DEFICIT: \$240 MILLION

NET EARNINGS FROM INVISIBLES: \$140-160 MILLION

CURRENT ACCOUNT DEFICIT: \$80-100 MILLION

2. COMMENT: AGUIAR IS CURRENTLY GOP REPRESENTATIVE IS MOZAMBIQUE
WITH GREATEST KNOWLEDGE OF ECONOMIC/FINANCIAL SITUATION. WAS
ACTIVELY INVOLVED IN RECENT GOP-FRELIMO ECONOMIC-FINANCIAL
NEGOTIATIONS AND WILL RETURN TO LISBON IN SECOND HALF OF
FEBRUARY FOR SECOND ROUND. BELIEVE HIS INFORMATION ON BALANCE
OF PAYMENTS RELIABLE AND HIS CURRENT ACCOUNT DEFICIT FIGURE
IS CORROBORATED BY OTHER SOURCE WHO OBTAINED SAME FIGURE
DIRECTLY FROM MINISTER OF ECONOMIC COORDINATION GRACA. IT IS
CLEAR MOZAMBIQUE'S MERCHANDISE EXPORTS HAVE FALLEN FAR BELOW
EARLIER ESTIMATES (IN OCTOBER, DR. PARCIDIO COSTA ESTIMATED
EXPORTS AT \$360 MILLION, SOME 50 PERCENT HIGHER THAN ACTUAL
RESULTS -- SEE A-170,) THUS AGGRAVATING MOZAMBIQUE'S BALANCE
OF PAYMENTS SITUATION. FACTORS IN SHORTFALL ARE: DISRUPTION OF
TRANSPORTATION AND MARKETING CHANNELS; DROP IN PRODUCTION
CAUSEB BY EXODUS OF TECHNICIANS, DECLINE OF PRODUCTIVITY OF
WORKERS (DESPITE INCREASED WAGES), AND SHORTAGES OF RAW
MATERIALS AND SPARE PARTS; AND LOWER PRICES FOR COTTON (IN
ADDITION TO BEING BAD CROP) AND FOR CASHEWS.

WALKER

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